



Government of
Saskatchewan

Annual Report 1987-88

Saskatchewan Agriculture

Eighty-Third Annual
Report for the twelve
months ended, March
31, 1988

91-01962/

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Letters of Transmittal

Department of Agriculture

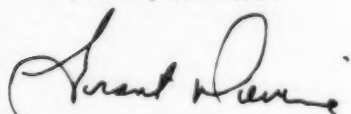
Her Honour.

The Honourable Sylvia O. Fedoruk, O.C., S.O.M.
Lieutenant Governor of the Province of
Saskatchewan

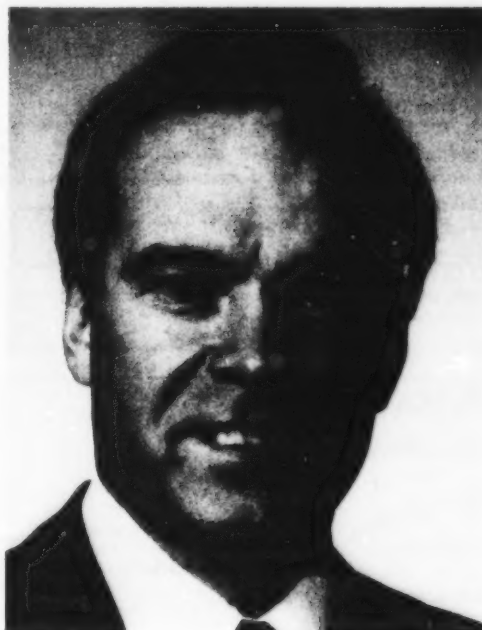
Your Honour:

I have the honour to submit the annual report of
Saskatchewan Agriculture for the twelve months
ending March 31, 1988.

Respectfully submitted.



Honourable Grant Devine, Premier
Minister of Agriculture



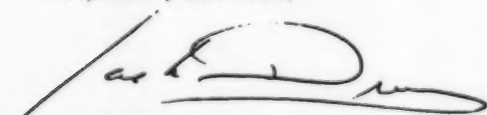
Report of the Deputy Minister of Agriculture

Honourable Grant Devine, Premier
Minister of Agriculture

Sir:

I wish to present to you the annual report of Saskat-
chewan Agriculture for the twelve months ending
March 31, 1988.

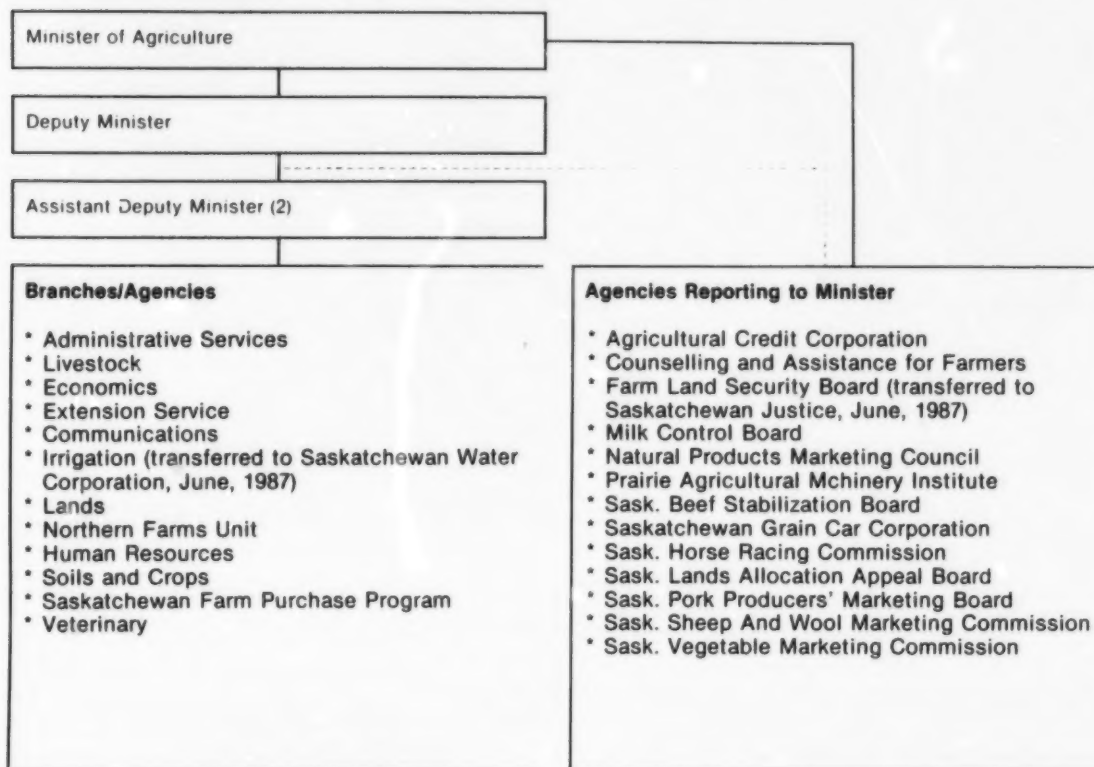
Respectfully submitted,



Jack Drew,
Deputy Minister



Organization Chart (1987-88)



Administrative Services Branch

The Administrative Services Branch provides department support services in budgeting, accounting, space and accommodation, equipment and supplies, mail services, vehicle management, computer management, legislation and administrative analysis.

I. Financial Services Section

The major activities of this section are departmental revenue and expenditure processing, financial management of the Conservation and Development Revolving Fund, revenue and expenditure control, and management information compilation and dissemination.

In 1987 - 88, the section processed over 40,000 payment documents with above-average accuracy and low-turnaround time. The section also automated the expenditure forecasting process and assisted the Agriculture Development Fund with the establishment of a project cost-accounting system.

II. Office Services Section

The major activities of the Office Services Section are the co-ordination of departmental budget preparation, space, vehicles, photocopiers, furniture, the purchase of supplies and the provision of a mail and messenger service.

In 1987 - 88, the section upgraded the department telephone systems and reallocated vehicles to minimize underutilization. The section also completed renovations to the Lloydminster office and provided new office space for the Kennedy office. Space planning was completed for the Walter Scott building and for offices in Assiniboia and Swift Current.

III. Systems Services Section

This section co-ordinates the development and operation of computer-based systems in the department by providing systems guidance and support.

During the last year, the section assisted in the transfer of computer systems from the Irrigation Branch to the Saskatchewan Water Corporation, and from the Farm Land Security Board to the Department of Justice.

A feasibility analysis was initiated for a Client Information System which would improve the financial management of producer loan and payment programs.

An Informatics Study was also undertaken to develop a departmental strategic plan for the

management of information technologies.

The section established a Technical Reference library for research and the evaluation of systems-related technologies, assisted in the enhancement of systems for the Veterinary Branch — including a pathological-analysis reporting system — and continued to enhance the provision of user training and support throughout the department.

IV. Legislative Services

This section co-ordinates the legislative process in the department and reviews all proposed Orders-in-Council, regulations and legislation for thoroughness and accuracy.

In 1987 - 88, the section rewrote the Veterinarians Act and reviewed legislation associated with farm credit and security.

V. Grant Administration Section

The section manages grant programs and payments for the provincial agricultural and horticultural societies and for the Horse Racing Commission.

In 1987 - 88, the total operating grants paid were as follows:

Class "B" fairs	\$ 67,500
Class "C" fairs	205,562
Horticultural Societies	25,645
Horse Racing Commission	1,947,889

VI. Northern Farms Unit

During 1987-88, Saskatchewan Agriculture continued to operate four farms in northern Saskatchewan to demonstrate the agricultural potential of the north and to provide employment. The farms are the Central and Silver Lake Farms in the Green Lake area and the Ile-a-la-Crosse and Cumberland House Farms.

During the peak season, a total of 29 employees worked on the farms.

Major accomplishments during the year included the maintenance over the winter of a breeding herd totalling 1,200 cows, and the maintenance of a 120-sow farrow-to-finish hog operation.

VII. Agricultural and Horticultural Societies

1. Agricultural Societies

Saskatchewan's 74 agricultural societies promote the improvement of agriculture and the improvement of the quality of community life.

In 1987 - 88, the societies sponsored numerous farm-business management programs. The provincial association, the Saskatchewan Association of Agricultural Societies and Exhibitions, entered into a contract with Saskatchewan Agriculture for the administration of the Farming to Win project. The societies also held seminars addressing topics such as farm business management, stress, job-search techniques, retirement planning, and public speaking. Other seminars held during the year included farm-management topics such as nutritional requirements of livestock, grasshopper control, air seeders and soil conservation.

Highlights during the year included the annual convention of the Canadian Association of Exhibitions to which the Regina Exhibition Association played host; the production of an award-winning Agricultural Societies Manual with funding through the Economic and Regional Development Agreement; and the celebration of the 75th anniversaries of agricultural societies in Estevan, Fertile Valley, Invermay, Kerrobert and Tantallon.

The agricultural societies continued to support and to sponsor community fairs, livestock shows and sales, agricultural trade shows, various 4-H clubs and activities.

2. Horticultural Societies

Saskatchewan's 39 horticultural societies work towards the enhancement of grounds and gardens through educational events and competitions.

To honor the 60th anniversary of The Saskatchewan Horticultural Association in 1987 - 88, the organization published a supplement to its history. An interprovincial show was held in Lloydminster and the association co-sponsored Horticultural Week at the University of Saskatchewan.

A new society at Spiritwood was added during the year.

The societies continue to conduct field trips, seminars, competitions, and classes in yard arranging, landscaping and gardening.

Communications Branch

The objective of the Communications branch is to disseminate information relating to programs, policies and services provided by Saskatchewan Agriculture to its various publics through a variety of methods.

The branch is responsible for providing the many farm publics with:

- (a) an understanding of various programs, policies and services of the department
- (b) technical information about all aspects of farming to enhance agricultural production, and
- (c) an understanding of the government's commitment to the family farm and the government's intentions to continue in a leadership role in Canadian agricultural deliberations.

The branch assists and/or coordinates information dissemination on behalf of the minister and the department regarding the above responsibilities.

The operations of the Communications branch are grouped into the following sections:

I. Agricultural Library

In 1987-88, more than 14,500 publications were circulated from the library collection, an increase of 13 percent over 1986-87. In addition, 750 items were borrowed for departmental staff from libraries across Canada and the United States.

More than 2,300 publications were added to the collection and were advertised in nine issues of "Information Notes."

The news monitoring service provided agricultural news from all Saskatchewan media — newspapers, radio and television — and from American news services. Summaries of agricultural broadcasts were prepared and circulated.

II. Publication Distribution Centre

The publication distribution centre received 1,200 orders for 235 titles published by Saskatchewan Agriculture. In total, about 346,500 copies were distributed to members of the public and staff. This figure represents a three per cent increase over 1986-87.

Of all requests for publications, 46 per cent came from the department's agricultural representatives, 38 per cent from other extension staff, seven per cent from agricultural organizations, four per cent from students, and five per cent from various other sources.

III. Audio Visual Section

The audio visual section houses and distributes all audio visual equipment and materials for use within the department. It also provides user assistance on all aspects of audio visual production within the department.

In 1987-88, the section

- * produced 1,200 computer-generated slides and overheads.
- * upgraded graphics capabilities with the purchase of the Polaroid Palette Plus
- * expanded the slide subject library to accept 12,000 additional slides and purchased 200 new slides
- * duplicated 750 video tapes for Saskatchewan Agriculture
- * completed the film and video productions entitled "Compressed Natural Gas on the Farm," "Nothing is Forever," and "Lentil Harvesting."

IV. Media Relations Section

The media relations section coordinates the preparation and distribution of information to various publics on government agriculture programs, policies and services.

Various projects were undertaken during the year to create greater agricultural awareness among urban and rural audiences. Among these projects were.

- * Agriculture Appreciation Week, initiated by the Saskatchewan Weekly Newspaper Association to focus on the importance of agriculture to Saskatchewan's economy, and
- * National Soil Conservation Week, held in conjunction with Agriculture Canada and other Prairie provinces' departments of agriculture, to emphasize the importance of soil and water conservation.

The section also continued to produce the weekly package of feature articles entitled "Farm Report." The package is distributed to all newspapers and radio stations in Saskatchewan.

The department's tabloid, **AgNews**, was produced monthly and distributed to all rural households in the province.

The employee newsletter, **The Insider**, was also published monthly and distributed to all employees of Saskatchewan Agriculture.

V. Print Section

The print section coordinates the production and distribution of department publications, and advises the department on cost-effective design and production.

During 1987-88, workshops about the printing process and about effective writing were conducted within the department.

The section also coordinated the production of road signs for department research and on-farm demonstration projects.

Counselling and Assistance for Farmers

The Counselling and Assistance for Farmers Program provides counselling and operating and/or consolidation loan guarantees to eligible farmers who have been declined operating loans from their primary lending institutions.

In 1987-88, 952 farmers applied under the program and received counselling by panels composed of farmers who have proven production and financial management abilities. The counselling includes suggestions for changes to the farm operation to enhance the farm's viability. For those operations which have the potential to be viable, the panels recommend that operating and/or consolidation loan guarantees be offered to the designated lender.

In 1987-88, lenders accepted 640 operating loan and consolidation loan guarantees totalling \$42,098,000. The average guarantee was \$63,600. Where applicable, the 1986 loan guarantees were extended for the 1987-88 year.

Comparison	1987-88	1986-87
Number of farmers who applied	952	1,095
Guarantees accepted by lenders	640	595
Value of guarantees	\$42,098,000	\$42,110,000
Value of average guarantee	\$63,600	\$70,770

Economics Branch

The Economics Branch mission is to strengthen the agricultural industry through economic initiatives and activities.

The branch is organized into the following sections: Agriculture Development Fund; Farm Management; Market Analysis; Research; Statistics; Livestock Tax Credits; and Planning. The 1987-88 activities and achievements of the Branch are elaborated by section.

I. Agriculture Development Fund Section

The Agriculture Development Fund Section was initiated by the Government of Saskatchewan in the spring of 1985 to support agricultural research, development and demonstration projects in areas such as crops and forages, soils, livestock, land improvement, engineering, marketing, new product development and agricultural processing.

The section administers funding from the federal/provincial Economic and Regional Development Agreement (ERDA), a sub-agreement on agriculture.

During 1987-88, the Agriculture Development Fund Section provided funding for 197 research and development projects and 139 demonstration projects.

A strategic funding agreement was signed with the University of Saskatchewan which will provide support for on-going basic research.

The section also re-structured the administration of the demonstration portion of the program.

II. Farm Management Section

The Farm Management Section continued the development of course content and training material for both instructor and participant components of the Farming to Win program.

A list of 40 publications and 50 fact sheets in the Farm Business Data Manual were maintained and revised by the section, providing information on production and financial requirements of most farm enterprises.

Assistance was provided by the Farm Management Section to the University of Saskatchewan to deliver the Top Management program, to analyze the data collected and to produce a Cost of Production publication.

During the year, the section provided analysis on several policy and program issues including income tax changes, fluid milk pricing and indexing and equity financing.

The Farm Management Section also provided expertise and served as a source of technical information for a number of programs such as the Livestock Investment/Facilities Tax Credit programs, the Saskatchewan Information Services program, and the Economic and Regional Development Agreement.

III. Market Analysis Section

Activities of the Market Analysis Section during 1987-88 included:

- * provided central administrative support for the provincial and the tripartite stabilization plans.
- * provided outlook information about grains, oilseeds and livestock.
- * hosted the 1988 Crop Prospects Conference in conjunction with the University of Saskatchewan.
- * updated the provincial agriculture forecast model.
- * provided assistance in the development of the provincial position on the Canada-U.S. Free Trade Agreement and the General Agreement on Trades and Tariffs.

- * provided analysis on agricultural issues and developed policy opinions.

IV. Research Section

The Research Section was involved in the following activities during the 1987 - 88 year:

- * provided staff support to the Natural Products Marketing Council to supervise the operations and activities of marketing agencies established under The Natural Products Marketing Act and advised the minister of agriculture on issues related to the marketing of natural products.
- * assisted the Natural Products Marketing Council in conducting a producer plebiscite culminating in the establishment of the Saskatchewan Vegetable Marketing and Development Board in July, 1988.
- * provided assistance to organize the Symposium on Farm Finance, to hold public meetings on farm finance, and to prepare a report entitled "Farm Finance for the Future."
- * assisted in the drafting of The Saskatchewan Farm Security Act and participated in consultations with lenders, farm groups and other government departments prior to the introduction of the Act.

* provided analysis on farm finance policies and programs.

V. Statistics Section

The statistics section collects, analyzes, interprets and disseminates agricultural statistics.

Activities of the section during the 1987-88 year are described as follows:

- * handled several hundred inquiries dealing with legal, social, economic and production subjects.
- * published the annual statistics handbook, two editions of the statistical fact sheet, monthly and annual Cattle Marketing Reports, weekly Market Trends and weekly precipitation summaries during the April-October crop season.
- * provided the crop reporting service which provides crop conditions information throughout the production season.
- * provided the specialty crop information program
- * conducted a vegetable area survey in 1987.
- * administered the Saskatchewan Feed Grain and Forage Listing Service.
- * enhanced its working relationship with Statistics Canada in 1987-88 by conducting numerous agricultural surveys in Saskatchewan.
- * contracted the University of Saskatchewan to undertake the Farm Input Price Survey which provides per unit prices on over 30 farm inputs in 25 Saskatchewan communities.

VI. Livestock Tax Credit Section

The Livestock Tax Credit Section is responsible for the implementation and administration of the Livestock Investment Tax Credit, the Livestock Facilities Tax Credit and the Feeder Associations Loan Guarantee programs.

Introduced in March, 1984, the Livestock Tax Credit Program provides a tax credit on a per head basis for feeder cattle, hogs and lambs sold for slaughter. Approximately \$6.8 million in tax credits were issued to 4,700 applicants during the fiscal year. More than \$21.4 million in tax credits have been issued since the program's inception.

The Livestock Facilities Tax Credit Program, introduced in January, 1986, provides a 15 per cent tax credit on the cost of the construction of new or the renovation of existing livestock facilities. Approximately \$1.6 million in tax credits were issued to almost 1,300 applicants during the fiscal year. More than \$3.4 million in tax credits have been issued since the program's inception.

Implemented in July, 1984, the Feeder Associations Loan Guarantee Program provides guarantees to financial institutions on loans made to members of feeder associations for the purchase of feeder cattle. During 1987-88, 22 new feeder associations were formed and there were 44 associations in existence with 1,325 members as of March 31, 1988. Total guarantees of \$8,881,250 were provided on \$34,525,000 of authorized loans. Program information meetings were also held with groups interested in forming feeder associations.

VII. Planning Section

The planning section was established in the spring of 1985 and has been actively involved in the development of an agricultural diversification strategy.

The planning section also examined alternative approaches to farm income stabilization and/or insurance.

The section worked extensively in the federal/provincial arena dealing with the National Agriculture Strategy Grain Safety Net Committee.

Extension Service

The Extension Service provides an educational, information and development service to farmers enabling them to take advantage of their opportunities.

The branch delivers programs from 43 district agricultural representatives' offices organized into three regions, each supplemented by 24 specialists in soils and crops, farm management, livestock and engineering.

The Extension Service identified the following statement of purpose:

"Agricultural and rural development through leadership, technology transfer and service"

This statement was further broken down to identify five functional or key result areas:

I. Program Development

Jointly with other branches and federal counterparts, major initiatives are being developed relating to a multi-year Soil and Water Accord and also to Farm Management initiatives.

A second-year program was developed and implemented under the Farming to Win initiative. A major element in year two was the opportunity afforded farmer participants to work with private sector management consultants to identify business opportunities and to develop an annual farm plan.

Under the research and technology transfer component of the National Agriculture Strategy, several federal-provincial meetings were held to develop directions and enhanced cooperation between governments. A conference was held in Regina at which the private sector, universities and government participated to review a draft national strategy for agricultural research and to provide input regarding future direction. Work continues on the technology transfer component.

Additional accomplishments of program development include:

- promoting and organizing soil conservation and forage associations.
- organizing diversification meetings to make people aware of existing opportunities in rural Saskatchewan.
- organizing and resourcing of crop clubs, maximum economic yield clubs and marketing clubs.
- developing computer programs and spreadsheets on a marketing game, ration balancing, crop planner and mix mill formulations.
- preparing materials for distribution including the crop planner, the forage guide, the introduction to hog production and the regional newsletters.
- addressing women's role in the farm business. Program development helped to organize the National Farm Women's Conference.
- designing improvements to ventilation and livestock handling facilities plans.
- assisting the development of the ethanol industry and the Canada Farm Builders' Association.
- working with 44 District Ag Extension Boards and six Regional Councils to identify areas of need for program development and to implement operational programs throughout the province.

II. Program Delivery

Accomplishments within program delivery are:

- delivered Farming to Win, year one and year two, to 663 farm units across Saskatchewan.
- organized Crop Prospects Groups attended by 850 producers.
- held meetings on maximum economic yield attended by over 2,000 producers.
- provided the Winning with Beef program to over 80 producers.
- held a number of crop diversification meetings on pulse, forage and specialty crops.
- resourced and organized the Save Our Soils projects, the forage associations, the Top Management Program, the Wild Rice Conference, the Northern Agriculture conference and the Herd Monitoring Data Collection Project.
- held several hundred meetings, field days, seminars and demonstrations to keep producers informed of new technology. Main areas of interest were in crop alternatives and rotations, in beef and hog production, in financial management and in marketing.
- assisted in organizing major ADF projects for algae in farm dugouts and in Compressed Natural Gas.

III. Client Services

Client services provided individual consultations with producers on a wide variety of production topics concerning problem identification and recommended solutions to producers

Additional activities in 1987 - 88 include:

- provided advice and assistance on programs and policies related to agriculture.
- provided technical support to other branches, agencies and industries.
- worked with the mass media, radio, television, newspapers and newsletters to get information to producers.
- served the needs of the general public for program information and a host of horticulture-related inquiries.
- assisted 4-H Clubs in a resource/leadership role.
- completed the weekly crop reports and the monitoring of insect and disease problems.
- served as resource speakers at a variety of meetings and field days for other agencies and industry.
- organized local distribution of Prairie Farm Rehabilitation Administration (PFRA) trees.

IV. Human Resource Management and Administration

A major initiative was launched during the year involving all management and field staff to develop a new mission statement for the branch and to identify and to target major program objectives for each key result area. This planning and monitoring system will significantly assist staff in developing and coordinating result-oriented activities for the 1988-89 program year.

During 1987-88, Human Resource Management and Administration held a joint conference with the University of Saskatchewan staff. Staff also attended a variety of meetings, seminars, field days, shows, and demonstrations to update themselves on technical matters. In addition, program planning workshops were held in each region to identify regional objectives and activities.

The home consultant made a transition from farm home planning to human resource development for women.

V. Administration of Legislation and Grants

Administration of legislation and grants results in 1987-88 were:

- renewed 4-H grants and encouraged further expansion in agriculture-related projects.
- administered The Pollution (by Livestock) Control Act.
- administered the Field Grant for pest control, a major new initiative which encouraged rural municipalities to form joint committees for local administration.
- provided project leadership for Agriculture Development Fund (ADF) projects both at a senior management program level and at a implementation of on-farm demonstrations level. A new concept of "small on-farm demonstrations" was developed and implemented to encourage initiatives at the local level. This and other administrative initiatives followed the tabling of a consultant report on the ADF on-farm demonstration program.
- provided liaison and grant administration regarding PAMI and the Ethanol Marketing Incentive.

Farm Land Security Board

The Farm Land Security Board administers the Farm Land Security Act. The purpose of the Act is to afford protection to farmers against loss of their farm land.

The Farm Land Security Act came into effect January 1, 1985. The Act requires that a creditor give 120 days notice of intention to foreclose on farm land. The board investigates the financial affairs of the farmer and mediation is attempted by a three-person committee. If mediation fails, a court report is prepared for the Court of Queen's Bench. The report gives the board's view as to whether the farmer has a reasonable possibility of meeting his mortgage obligations and comments on the effort made by the farmer to meet his obligations.

On July 1, 1987, the Farm Land Security Board was transferred from Saskatchewan Agriculture to the jurisdiction of Saskatchewan Justice.

During the period from April 1, 1987, to June 30, 1987, the Board handled 139 notices involving 110 farmers. Of the notices received, 30 cases were mediated while 51 cases were prepared for Court of Queen's Bench hearings.

During the two-and-one-half years that the Board was an agency of Saskatchewan Agriculture, it received a total of 1141 notices involving a total of 970 farmers.

Of these cases, 298 were mediated while court reports were prepared for 383.

Farm Purchase Program

The Farm Purchase Program was implemented December 17, 1982, to assist beginning farmers and those with small- and medium-sized farms to buy land.

The program provides financial assistance to offset high interest costs and ensures stable interest rates for the first 10 years of a farm land purchase. For the first five years of a loan, the Farm Purchase Program pays interest rebates equal to the difference between amortized loan payments at available interest rates and payments at eight per cent. For the next five years, rebates equal the difference between payments at available interest rates and payments at 12 per cent.

With the decline in interest rates and land prices to more realistic levels, the need for the program eased and new enrollments were discontinued as of June 17, 1987.

1. Program Delivery

Program eligibility is established by the lender during loan application. Lending decisions and ongoing loan administration are the responsibility of the lender. The Farm Purchase Program administers the program with seven staff members. Administration costs in 1987-88 were \$368,700.

2. Program Progress

During 1987-88, 647 loans were enrolled in the program for a total of \$41,528,000.

Since the program began, a total of 6,912 individuals have enrolled 7,660 loans for a total value of \$705,905,000.

Interest rebates paid in 1987-88 amounted to \$16,956,676 bringing the total of interest rebates paid to \$70,460,375 since the program began.

Comparison	1987-88	1986-87	Since 1982
Loans enrolled	647	1,417	6,912
Value of loans	\$41,528,000	\$105,108,000	\$705,905,000
Interest rebates	\$16,956,676	\$18,204,217	\$70,460,375

3. Saskatchewan Matching Grants-in-aid Program

The Farm Purchase Program staff assumed responsibility for administering the Saskatchewan Matching Grants-in-aid Program. The program, which complements the work of the Saskatchewan Council for International Co-operation (S.C.I.C.), provides matching grant assistance for development projects in developing countries around the world.

Human Resources Branch

The Human Resources Branch provides the department with staffing, classification, staff relations, benefits administration, training and staff development, and payroll services. It also provides policy direction and guidance for administration and management of personnel to both the department and its associated agencies.

I. Administration

In its continuing efforts to improve personnel services, the branch developed several procedural changes during 1987 - 88. The branch co-ordinated the Employment Equity Program for the department and participated in the Human Resources System User Committee in order to identify problems and concerns with the system and to remain current in the operation of the system. The Branch also co-ordinated an early retirement program that affected 45 employees.

The United Way campaign within the department was co-ordinated by the branch.

II. Staffing

During the year, the staffing unit co-ordinated 22 competitions for permanent positions, and assisted management in recruiting casual, temporary and labour service employees to meet program needs. In all, the branch performed 394 staffing actions.

III. Classification

A total of 30 requests for classification action were reviewed by the branch, and recommendations were made and forwarded to the Public Service Commission for final determination. Classification was also completed on five labour service positions. About 87 per cent of the department's position files were updated.

The mandate of the Agrologist Committee was continued and the branch maintained an active role on the committee.

IV. Staff Relations

The branch co-ordinated the department's management proposals for inclusion in the collective agreement and worked closely with the Public Service Commission to ensure the department's proposals were addressed during contract negotiations. As well, the branch dealt with a number of grievances during the year. It also provided assistance to the human resources community in government by serving on arbitration board and joint council hearings.

V. Training and Development

Training and development is an ongoing priority in the department. In 1987 - 88, 185 department employees participated in Public Service Commission courses in special skills; 46 employees enrolled in word processing courses; and a number of employees took an introductory course in microcomputers which was co-ordinated by the branch.

The branch computerized training records for the department, set up an audio-video cassette library and co-ordinated the distribution of training packages.

A planning session to review the departmental mission was arranged for Directors. The type of facilitation and the methodology adopted at that meeting are now used in all branches.

VI. Payroll

The conversion to the computerized personnel/payroll system was completed in 1987 -88. The branch continues to provide full payroll administration for Saskatchewan Agriculture and the departments of Urban Affairs, Rural Development and Environment.

Irrigation Branch

The Irrigation Branch was transferred to the Saskatchewan Water Corporation effective July 1, 1987. The branch was amalgamated with the Operations Division of the corporation. Details of irrigation activities may be found in the 1987 annual report of the Saskatchewan Water Corporation.

Lands Branch

The Lands Branch administers provincial (Crown) land designated for agricultural production. As of March 31, 1988, the branch administered 8,806,392 acres of land compared to 8,951,401,633 acres administered as of March 31, 1987.

The mission of Saskatchewan Agriculture's Lands Branch is to enhance the economy of the province and to serve the public interest through responsible management of provincial agricultural lands and through the promotion of proper land use.

1. Changes to Policies and Procedures

a) The Provincial Land Lease Renewal Policy was revised effective November 5, 1987.

The revision provides a lessee with the opportunity to renew a lease if the applicant's average off-farm income is less than \$35,000, or in the case of a lessee with a spouse, less than \$45,000. Previously, a lessee was eligible for a renewal only if a major portion of the individual's gross income was from the farm operation. The change allows a lessee to work off-farm and to earn income from other sources so long as the designated limits are not exceeded.

b) The Provincial Land Lease Assignment Policy was revised effective November 1, 1987, to further aid the transfer of leased land between generations, co-lessees, or buyers and sellers.

The change provides that any grazing, hay or non-saleable cultivation lease may be assigned to an eligible individual who acquires a portion of the lessee's deeded holdings.

This change allows for the "upward" assignment of a lease to an eligible family member without the transfer of any deeded land, provided the individual is a former lessee or spouse of a former lessee of that parcel.

The previous policy stated that a lease could only be assigned "downward" to an eligible family member without the transfer of any deeded land.

As before, any of these family members who are not former lessees of the land can still qualify for an assignment of a grazing, hay or non-saleable cultivation lease, but must purchase a portion of the lessee's deeded unit to do so.

c) The Provincial Land Sales to Lessees Policy was revised effective August 1, 1987, to incorporate different procedures for land appraisals.

Lessees are responsible for hiring an accredited appraiser and for paying the appraisal fees. When a lessee purchases land, the appraisal cost is deducted from the purchase price.

The lessee or the branch may request a second opinion if there are any concerns about the first appraisal. If the lessee requests and pays for the second appraisal, the cost is not deducted from the purchase price.

When a sale of part of an area requires community planning approval and/or a special survey, the associated fees are the lessee's responsibility.

The list of approved appraisers is available from Lands Branch representatives.

2. Programs

a) Sales Programs

Tender sales of unallocated lands involved 61,158 acres and resulted in sales amounting to \$10 million. Cash sales to lessees involved 7,135 acres for a total of \$575,394.75. Sales to lessees under Time-Sale Agreements involved 9,189 acres for a value of \$1.1 million.

Total sales to lessees numbered 368 in 1987-88, with 77,482 acres sold for a total of \$11.7 million.

The amount of land sold by public tender and the revenue resulting from the sales doubled over 1986-87, while cash sales and time sales to lessees dropped significantly. There was a marked increase in the amount of land tendered this year and it was generally in very good condition.

b) Leasing Land for Agricultural Use

A total of 8.8 million acres of land was leased in 1987-88. The number of leases and acres leased are as follows:

Type of lease	Number of leases	Number of acres
Cultivated acres	3,371	1.89 million
Grazing acres	7,035	5.03 million
Hay leases	1,041	.138 million

The Provincial Community Pastures Program used 726,363 acres for 54 cattle and two sheep pastures.

There were 1.018 million acres of Crown land unallocated during the year. Land remains unallocated for a variety of reasons: low demand,

high cost of development, low productivity, inaccessibility, poor drainage, severe topography, and stoniness.

c) Community Pastures

	1987-88	1986-87
No. of cattle pastures	54	54
No. of adult cattle	74,148	74,634
No. of calves	46,865	45,204
No. of patrons	2,817	2,542
No. of sheep pastures	2	2
No. of ewes	3,411	4,317
No. of lambs	1,178	1,613
No. of patrons	54	45

d) Land improvement

The following chart compares development of leased cultivated and grazing acres during a two-year period.

	1987-88	1986-87
No. of acres cleared	67	973
No. of acres broken	126	1,688
Total cost of land development	\$10,741.25	\$57,808

e) Abandoned Rail Line Program

The branch is responsible for finalizing disposition of abandoned rail rights-of-way after transfer of administration from the federal government or the railway companies to the province.

To date, 38 of the expected 43 abandoned rail subdivisions have been transferred to the province. These 38 subdivisions represent 728 miles of railbed for a total of 11,733 acres. About 4,470 acres have been transferred to private ownership while 942 acres have been retained by the Crown for agriculture, parks or highways.

3. Resources

Land administered by Lands Branch produced a revenue of about \$33 million in 1987-88 compared to revenue of \$37 million in 1986-87.

Major sources of revenue were land sales at \$15.3 million; lease rentals at \$12.4 million* and community pasture operations at \$5.1 million.

The difference in total revenue between the two years was created by the removal of former Land Bank Commission lease rents which are now transferred to the Farm Purchase Program. Revenues transferred to the Farm Purchase Program in 1987-88 totalled \$10.9 million.

Livestock Branch

The Livestock Branch develops programs and policies to encourage an efficient livestock industry in the province and administers regulations to enhance the contribution of animal agriculture to the provincial economy.

1. Brand Inspection

The following brand inspection activities were conducted in 1987-88.

Cattle inspected	1,149,584
Manifests processed	143,164
Permits issued	50,518
Registered cattle and horse brands issued	33,000
Livestock licences issued	510

2. Livestock Development

In 1987-88, the Livestock Branch developed the Game Farming and Game Products Merchandising Regulations in consultation with game farmers, the Saskatchewan Wildlife Federation and the Wildlife Branch of Saskatchewan Parks, Recreation and Culture.

Staff members worked extensively on the development of minor livestock industries such as the rabbit, goat, sheep, horse and fur farming industries.

3. Dairy Unit

The unit provided information on dairy quality to the province's 700 dairy producers. About 36,000 quality tests on 11,000 milk samples helped to achieve the all-time best provincial average milk quality record. The field service component of the provincial milk recording program was transferred to the Saskatchewan Dairy Herd Improvement Corporation, a private corporation of member users. Under the initial contract, the unit analyzed 173,000 milk samples for the corporation. Analysis of 40,000 milk samples was completed under contract for the Saskatchewan Milk Control Board's producer payment program.

4. Beef Unit

The Record of Performance (ROP) Beef Program was privatized with the Saskatchewan Livestock Association, which is now responsible for field delivery, data processing and extension activities. The unit also developed "Winning with Beef," a special cow-calf business management module of the "Farming to Win" program. The module includes software, text materials and field testing at five courses.

The unit participated in special projects such as Crescent Pasture (Extension Services); the Beef Upgrading Management Program (Veterinary Branch); and the Beef Reproductive Efficiency Database.

Staff members cooperated with the Saskatchewan Livestock Association in the sixth annual beef seminar called "What's in Stock for You?" The seminar attracted 250 industry participants.

Other cooperative ventures included development of the Beef Management Project with the Veterinary Branch. This program teams the cattle producer and the local veterinarian.

5. Pork Unit

The Pork Unit worked on the expansion of pork production and the diversification of Saskatchewan's rural economy. The staff cooperated with producer groups in planning and developing large-scale production facilities, including exploring new financing opportunities for livestock production. A pork industry planning seminar was initiated and involved government, the Pork Board, pork producers and university personnel.

The unit offered a farm technician training course, developed jointly with pork producers and Wascana Institute. It also produced an interactive computer model of pork production costs.

Soils and Crops Branch

The Soils and Crops Branch specialists are responsible for programs regarding promotion, development, production and protection of field, forage, horticulture, honey and wild rice crops as well as soils conservation, and the use, handling and storage of pesticides.

Agricultural specialists work with producers, and personnel of other branches, Agriculture Canada, universities, industry and other related agencies to provide programs to enhance crop production, crop protection and soil conservation in Saskatchewan. Branch specialists also develop and administer programs to further the safe and effective use of pesticides.

1. Crop Production Services

1. Cereals

The cereal specialist is responsible for interpreting and disseminating research results and providing consultation and advisory services about cereal crops to extension staff and producers.

The following programs were effected by the specialist during the year.

a) Publications

The annual publication "Varieties of Grain Crops for Saskatchewan" was revised and published. Extension staff received 30,000 copies in early January, and farmers received 75,000 as part of the 1988 Seed Guide.

There was strong farmer participation in three durum production seminars which were held in cooperation with SeCan. Interest is developing in oat and hulless barley production and marketing.

b) Administration

The Saskatchewan Seed Growers' Association moved its office from the Soils and Crops Branch to the Department of Crop Science and Plant Ecology at the University of Saskatchewan. The association office is now operated by an executive director whose services are paid for by the association.

The Provincial Stock Seed Distribution Committee's responsibilities were also moved to the Saskatchewan Seed Growers' Association.

2. Oilseed Crops

In 1988, the oilseed specialist provided a variety of specific services to producer organizations involved in the production and promotion of oilseeds in Saskatchewan.

a) Saskatchewan Canola Growers' Association
* attended the association's board meetings
* helped to plan tours, demonstrations and extension meetings.

b) Canola Council of Canada
* a member of the Crop Production Committee
* helped to manage the Grow With Canola Program
* participated in the review of proposals for agronomic research and the development of a list of priorities for future agronomic research.

c) Western Flax Growers' Association
* worked with the directors of the association to plan extension meetings and to coordinate the publication of a new flax bulletin for Western Canada.

* served as a member of the Research and Technical Committee of the newly formed Flax Council of Canada. The committee sets research priorities and awards proposals for research.

d) Saskatchewan Sunflower Committee
* served as secretary
* helped to administer a variety of trials and to recommend a variety of production in Saskatchewan.

e) Canadian Mustard Association
* worked in conjunction with the association to produce a Mustard Production Manual.

f) SeCan
* represents Saskatchewan Agriculture on the SeCan Board. SeCan multiplies and distributes new varieties of cereals, oilseeds and forages.

3. Special Crops

The special crops agronomist provides agronomic information and technical assistance to growers of field peas, lentils, canaryseed, safflower and several developmental, minor crops.

Special crops acreage increased by 34 per cent to a record 1.37 million acres in Saskatchewan in 1987.

The special crops agronomist's activities during 1987-88 included:

* attendance at meetings and field tours such as the Alternative Crops Conference, Lethbridge, Alberta; Saskatchewan Pulse Crop Development Board tours; farmer meetings and field days throughout Saskatchewan; Crop Market Prospects '88; and the Silage Tour '88, which the special crops agronomist organized and attended.

* production of a variety of publications such as the Special Crops Market Synopsis, February, 1988; Special Crops Marketing and Contracting Companies, February, 1988; and contributions to bi-monthly editions of the Saskatchewan Pulse Crop Development Board Newsletter

* circulation of the film 'Lentil Harvesting' to Saskatchewan producers and farm organizations.

* serving as chairperson of the Saskatchewan Corn Committee during the year and as secretary-treasurer of the Western Canada Pulse Growers Association until January, 1988.

4. Forage and Range Management

The provincial forage and range management specialist served as a consultant providing technical information to the Extension Service, other government departments, agribusiness and producer organizations.

Among other duties, the specialist:

* played a key role in the formation of the new Saskatchewan Forage Council, a broadly-based producer organization.

* administered the new Forage Association Policy. Two new associations were funded in the fiscal year 1987-88, for a total of five provincial associations.

* served as secretary of the Forage Advisory Committee of the Canadian Agricultural Services Coordinating Committee

* served as provincial representative on the founding committee of the Canadian Forage Council.

* assisted with Agribition's Hay and Silage Show through membership on the Grain Show Committee.

* completed and distributed an instructional video and bulletin on legume inoculation.

* consulted on technical matters and reviewed forage-related projects under the Agriculture Development Fund.

* co-ordinated the distribution of foundation seed from the Canadian Forage Seed Project (CFSP) in Saskatchewan and sat on a national steering committee preparing for privatization of the project.

* distributed 5,340 kilograms of CFSP seed to 77 pedigreed growers in Saskatchewan.

5. Soils

The provincial soils specialist is responsible for providing technical information about soil conservation, soil fertility, problem soils, soil moisture management and land use.

During the year, the specialist participated in a number of farm meetings organized by the Extension Service. The topics of soil conservation and maximizing fertilizer investments were most frequently addressed.

Many soils-related bulletins were updated, printed and distributed in 1987-88. Titles of the updated publications were General Fertilizer Recommendations, Phosphorous Recommendations, Potassium Recommendations and Sulfur Recommendations.

II. Crop Protection Service

1. Weed Control

The weed control specialist is responsible for providing technical information about weed control in Saskatchewan to the Extension Service, farmers, agribusiness and other related industries.

During the year, the specialist also identified more than 300 weed samples submitted to the Crop Protection Laboratory for identification.

The specialist co-ordinated the revision of the publication entitled Chemical Weed Control in Cereal, Oilseed, Pulse and Forage Crops.

2. Pest Control

a) Insect Control

During the summer months, insect surveys are conducted on wheat midge, diamondback moths, grasshoppers, armyworms and cutworms. The information assists with the prediction of outbreaks, therefore allowing for more timely and effective use of pesticides and other control methods.

In 1988, publications produced for distribution were the Grasshopper Forecast, the Russian Wheat Aphid Factsheet, crop protection newsletters and the Wheat Midge Leaflet.

During the year, the provincial entomologist received 233 requests for insects identifications.

b) Vertebrate Control

The vertebrate pest specialist provides technical information about methods of controlling

vertebrate animals which damage field crops, livestock and property, or which are a nuisance or public health hazard.

In March, 1988, Premier Grant Devine announced that the province will embark on a program to eradicate rats from Saskatchewan. The pest management specialist has begun to consult with various organizations and departments involved with rat control to develop an effective program of eradication.

c) Pesticide Safety

Saskatchewan Agriculture encourages the safe use of pesticides through the Pest Control Products (Saskatchewan) Act and Regulations, and by distributing information about pesticide use and handling to the public, extension services and resource personnel.

There are about 1000 licensed commercial pesticide applicators in Saskatchewan.

3. Plant Disease

The plant disease specialist provides technical information about plant diseases and their control.

In 1987-88, the specialist:

- * received 851 plant samples for disease diagnosis in the Crop Protection Laboratory.

- * provided technical support for provincial surveys on Dutch Elm Disease and Verticillium Wilt of Alfalfa.

- * revised and expanded the annual publication Chemical Seed Treatments to include information on foliar fungicide sprays.

III. Horticultural Services

The horticulture specialist is responsible for providing technical and extension information to commercial producers of fruits, vegetables, mushrooms, ornamentals, nursery turf and greenhouse crops. A reference service on gardening, landscaping and yard maintenance is also offered to horticulture societies and the public.

In 1987-88, a new publication entitled the Saskatchewan Gardening Guide was produced for public distribution.

During the year, the horticultural services section was involved with efforts to form the Saskatchewan Fruit Growers' Association and the Saskatchewan Christmas Tree Growers' Association.

IV. Apiary Section

Total honey production in 1987 was about 19.9 million pounds compared to about 15 million pounds produced in 1986. In both years, there were approximately 120,000 colonies operated in the province. Average production per colony in 1987 was 166 pounds compared to 125 pounds in 1986.

During 1987, the number of package bee imports from the United States continued to decline marginally for the second year in a row. About 18,000 packages were imported in the spring of 1987 compared to about 20,000 imported packages in 1986 and about 35,000 imported packages in 1985.

In June, 1987, a tracheal mite infestation was discovered. The mite originated in bee packages imported from Texas in the spring of 1986. Some of these packages had been wintered over the winter of 1986-87. The infestation was found in three commercial and in three hobby operations. As a result, a delimiting survey was performed of all apiaries within one mile of any apiary belonging to the infected operations. Approximately 300 samples were collected and analyzed and all were found to be mite free.

About 3,500 colonies belonging to the infected operations were ordered destroyed and this was done in the fall of 1987 after the honey was gathered. The beekeepers affected were offered compensation at a rate of 70 per cent of the replacement cost to a maximum of \$25 per colony.

The tracheal mite research project was continued at LaRonge and the provincial apiculturist was actively involved with the Saskatchewan Beekeepers' Association in the management of this project. Funding for the second year was again provided by the Canada-Saskatchewan Economic Regional Development Agreement. The results of the second year of investigation confirmed that the tracheal mite was having a negative impact on package colonies in Saskatchewan.

V. Leafcutter Bees and Alfalfa Seed

Increases in the leafcutter bee population were small in 1987 averaging about 1.3 times. Cool, wet weather during July inhibited leafcutter bee pollination and reproductive activity. The alfalfa seed crops were average to below average. High demand within Canada for leafcutter bees for 1988 has resulted in a price increase from one to 1.5 cents per cocoon. Demand from the United States remains steady. Alfalfa seed prices range from \$1.25 to \$1.75. About 19,000 acres of alfalfa were inspected for certification in 1987.

In the spring of 1987, the bulletin "Alfalfa Seed and Leafcutter Bee Production" was released and an alfalfa seed production session was held for new and potential growers.

During the summer, eight field tours were held throughout the parkland region to examine insects and weed control, shelter design and general bee and field management. The specialist also conducted a shelter design demonstration program.

A study of soil fertility requirements for optimum alfalfa seed production began during the year while the weed control project and the study of foliar mold and chalkbrood control in leafcutters were continued. These three projects undertaken by the Saskatchewan Alfalfa Seed Producers' Association were funded by the Agriculture Development Fund.

In January, 1988, the specialist made presentations at both the Canadian and American Alfalfa Seed Schools.

VI. Wild Rice

The total production of wild rice for the crop year 1987 was 1,214,060 pounds compared to 761,120 pounds in 1986.

There were 173 rice growers who reported production in both 1986 and 1987.

A new brochure on wild rice habitat identification was completed and 3,000 copies were printed and distributed to growers.

The 1987 Saskatchewan Wild Rice Research Report was printed and other extension materials are to be reviewed for possible revision during the winter.

Research Program

The comprehensive research program is entering its third and final year of contract operation. The ADF-funded program, administered by the Crop Science Department, University of Saskatchewan, is directed primarily towards agronomic, machinery, and equipment studies. The Northern Economic Development Subsidiary Agreement (NEDSA) - funded program focuses on studies concerning market development and promotion, processing and water control.

Industry Organization

The specialist is actively involved in various capacities with the different industry organizations which are listed as follows:

- a) Saskatchewan Wild Rice Council
- b) Wild Rice Research Advisory Committee
- c) Equipment Development Task Force Committee
- d) Wild Rice Inter-departmental Committee

VII. Potato Lake Horticulture Research Project

The research site for northern horticulture is a six-acre lot, about 10 kilometers south of La Ronge. The research objective is to identify vegetable varieties that will be adaptable to northern conditions. Other studies are examining the suitability of various small fruit and different types of berries to the climate and the adaptability of the wild blueberry to cultivation.

Veterinary Branch

The Veterinary Branch develops programs to diagnose, control and reduce disease in animals and to ensure a wholesome supply of meat and other food products.

Significant events within the Veterinary Branch during 1987 - 88 were as follows:

- The institution of a fee schedule to include all animal species. Previously, food-producing animal submissions were exempt.
- The development of a greater demand for clinical chemistry and hematology testing. Technicon analyzers were purchased to aid these procedures.
- The development and approval of a Beef Production Management Project to provide \$250 to each cow-calf operator who keeps records and who uses veterinary consultation according to the terms of the policy.
- There was greater use of the Swine Herd Health Program as swine production increased in the province.
- Computerized veterinary laboratory reports were initiated to provide faster turnaround time on all submissions.

I. Veterinary Diagnostic Laboratory (Regina)

The laboratory receives a variety of animal specimens for disease diagnosis in animals. Pathologists consult with veterinarians and animal owners. Test results assist veterinarians with diagnoses.

II. Veterinary Diagnostic Services

The Veterinary Diagnostic Services at the Western College of Veterinary Medicine, University of Saskatchewan, provides a similar service through grants received from Saskatchewan Agriculture. A grant of \$450,000 was provided for this service in 1987-88 along with a \$200,000 grant for the purchase of equipment.

III. Swine Herd Health Policy

Producers enrolled in the swine herd program were entered into a computer database which will allow for better administration of the policy. As of March 31, 1988, there were 240 production units enrolled. The program's administration is conducted by the Swine Unit of the Livestock Branch.

IV. Meat Inspection

The meat inspection program pays the Food Production and Inspection Branch of Agriculture Canada to inspect 11 domestic abattoirs in the province. Cost of the inspection is \$270,200 with 17 per cent of the cost paid by abattoir owners.

V. Saskatchewan Society for the Prevention of Cruelty to Animals

Working in consultation with the SSPCA, the branch has assisted in the improved conditions for livestock and pets without a large number of criminal charges being laid.

VI. Beef Production Management Project

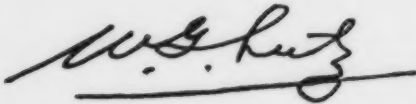
The program provides small grants to producers who keep basic records and use veterinary consultation to improve beef cow management.

Cattle Marketing Deductions Fund

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of receipts and payments of the Cattle Marketing Deductions Fund for the year ended March 31, 1988. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1988, and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

A handwritten signature in dark ink, appearing to read 'W.G. Lutz', with a horizontal line drawn underneath it.

Regina, Saskatchewan
July 18, 1988.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Cattle Marketing Deductions Fund

Statement of Receipts and Payments

Year Ended March 31, 1988

(with comparative figures at March 31, 1987)

	1988	1987
Receipts		
Collections under Sections 3 and 4 of The Cattle Marketing Deductions Act and regulations	\$968,989	\$523,799
Less: Commissions on collections	29,636	20,676
	939,353	503,123
Bank and investment interest	52,408	38,732
Total receipts	991,761	541,855
Payments		
Grants (Schedule 1)	686,131	474,793
Advisory Committee expenses	2,272	2,375
Refund of deductions	13,952	8,754
Total Payments	702,355	485,922
Excess of receipts over payments	289,406	55,933
Total cash and investments, beginning of the year	516,290	460,357
Total cash and investments, end of year	\$805,696	\$516,290

*(See accompanying notes to the financial statements)

Notes to Financial Statements

March 31, 1988

1. Accounting Policy

(a) These financial statements are prepared on a cash basis, whereby revenues are recorded as collected and expenditures are charged to the accounts as payments are made. Accordingly, the financial position of the fund at March 31, 1988, does not include accounts receivable of \$188,389 (1987 - \$85,750), accrued interest receivable of \$148 (1987 - \$3,135), commissions payable of \$5,652 (1987 - \$3,430), and accounts payable of \$27 (1987 - \$3,500).

(b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

2. Legislative Authority

(a) Pursuant to the provisions of The Cattle Marketing Voluntary Deductions Amendment Act, 1983, proclaimed into force August 29, 1983, the Cattle Marketing Voluntary Deductions Act Trust Fund was continued as the Cattle Marketing Deductions Fund and the assets and liabilities of the Cattle Marketing Voluntary Deductions Act Trust Fund were deemed to be the assets and liabilities of the Fund.

(b) The Fund is administered by an Advisory Committee established under the Act who authorize all expenditures from the Fund subject to the approval of the Minister of Agriculture.

Cattle Marketing Deductions Fund

Schedule 1

Schedule of Grants

Year Ended March 31, 1988

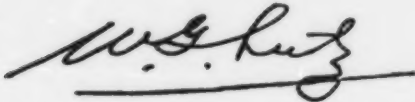
	1988	1987
Canadian Cattlemen's Association:		
Operating Expenses	\$81,811	\$106,773
National Beef Information Centre	87,000	87,000
National Advertising Campaign	257,250	133,260
	426,061	327,033
Veterinary Infectious Disease Organization	75,000	50,000
Saskatchewan Feed Testing Lab	65,000	--
University of Saskatchewan - Animal & Poultry Science	50,000	50,000
Saskatchewan Division - Beef Information Centre	25,000	--
Saskatchewan Livestock Association	15,000	--
Dr. Andrew Schmitz	14,000	9,500
Saskatchewan Cattle Feeders' Association	7,220	7,085
Saskatchewan Feed Grain Users Association	5,000	--
Saskatchewan Stock Growers Association		
- Saskatchewan Beef Information Centre	3,500	6,200
Saskatchewan Agricultural Hall of Fame	350	350
Saskatchewan Artificial Breeders Association	--	24,625
	<u>\$686,131</u>	<u>\$474,793</u>

Farm Purchase Program Fund

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of receipts and payments of the Farm Purchase Program for the year ended March 31, 1988. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1988, and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
July 18, 1988.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Farm Purchase Program Fund

Statement of Receipts and Payments

Year Ended March 31, 1988

	<u>1988</u>	<u>1987</u>
Receipts		
Appropriation — Heritage Fund - Agricultural Division (Note 1)	\$ 8,585,999	\$ 9,024,789
Lease payments	9,626,317	9,696,888
Penalties	841,471	894,069
Interest on loans	449,793	585,306
Interest on investments	186,898	260,013
 Total receipts	 <u>19,690,478</u>	 <u>20,461,065</u>
Payments		
Interest (Note 1)	19,972,465	20,159,663
Advertising	68,830	41,745
 Total payments	 <u>20,041,295</u>	 <u>20,201,408</u>
 Excess of receipts over payments	 (350,817)	 259,657
Cash, beginning of year	<u>350,822</u>	<u>91,165</u>
Cash, end of year	<u>\$ 5</u>	<u>\$ 350,822</u>

*(See accompanying notes to the financial statements)

Farm Purchase Program Fund

Notes to Financial Statements

Year Ended March 31, 1988

1. Legislative Authority

The Farm Purchase Program Fund was established April 1, 1983, pursuant to The Farm Purchase Program Act, which was assented to December 17, 1982.

(a) Receipts

Pursuant to Section 8(2) of this Act, the following receipts were placed to the credit of the fund:

- (i) lease payments on land formerly held by the Saskatchewan Land Bank Commission;
- (ii) penalties on arrears of lease payments;
- (iii) interest payments on loans for improvements made pursuant to Section 22 of The Land Bank Act;
- (iv) penalties on arrears of interest payments;
- (v) interest earned on deposits or investments;
- (vi) sums appropriated by the Legislature for the purposes of the fund;
- (vii) advances from the Consolidated Fund.

(b) Payments

Pursuant to Section 8(3) of this Act, payments were made out of the fund for interest costs on debt incurred by the former Saskatchewan Land Bank Commission. These payments were made to the Consolidated Fund.

2. Accounting Policies

(a) These financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1, and ending March, 31. Receipts are recorded as received and payments are charged to the accounts when payments are made. In addition, receipts received in the 30 days of April, in respect of revenues raised up to March 31 of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as receipts and payments of the preceding fiscal year. Accordingly, the financial position of the fund at March 31, 1988, does not include the following items:

(i) amount due for Department of Agriculture - Lands Branch - \$375,750 (1987 - \$88,558);

(ii) accrued interest costs - \$6,834,817 (1987 - \$6,834,817);

(b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

3. Advances

Pursuant to Section 8(4) of The Farm Purchase Program Act, the Fund receives advances from the Consolidated Fund as required for the purposes of the fund, subject to prescribed terms and conditions. Following is a summary of advances received and repayments:

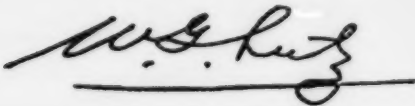
	1988	1987
Advances	\$8,591,000	\$23,444,000
Repayments	8,591,000	23,444,000
	<u>\$ --</u>	<u>\$ --</u>

Horned Cattle Fund

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Horned Cattle Fund as at March 31, 1988, and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the financial statements present fairly the financial position of the fund as at March 31, 1988, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
July 18, 1988.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Horned Cattle Fund

Statement 1

Balance Sheet

Year Ended March 31, 1988
(with comparative figures at March 31, 1987)

	1988	1987
Assets		
Current:		
Cash	\$ 33,746	\$ 75,936
Marketable securities, at cost which approximates market	322,882	196,923
Accrued interest receivable	75	38
Inventory of cattle (Note 3)	507,145	510,407
Advance (Note 4)	30,000	--
	<u>\$893,848</u>	<u>\$785,304</u>
Liabilities and Operating Surplus		
Current Liabilities:		
Accounts payable	\$ 12,506	\$ 4,085
Operating surplus - Statement 2	881,342	781,219
	<u>\$893,848</u>	<u>\$785,304</u>

*(See accompanying notes to the financial statements)

Horned Cattle Fund

Statement 2

Statement of Revenue, Expenditure and Operating Surplus

Year Ended March 31, 1988

(with comparative figures for the previous year)

	1988	1987
Revenue		
Collections under Section 3 and 4 of The Horned Cattle Purchases Act	\$208,841	\$206,492
Less: Commission on collections	5,876	20,630
	202,965	185,862
Pathlow Beef Research Project (Note 3)	247,806	335,780
Bank and investment interest	24,839	17,598
Miscellaneous revenue	--	2,400
Total revenue	475,610	541,640
Expenditure		
Grants (Schedule 1)	101,701	102,997
Pathlow Beef Research Project — operating costs	267,922	227,375
Department of Agriculture — The Horned Cattle Purchases Act Advisory Committee — meetings expenses	5,864	3,759
Total expenditure	375,487	334,131
Excess of revenue over expenditure	100,123	207,509
Operating surplus, beginning of year	781,219	573,710
Operating surplus, end of year	\$881,342	\$781,219

*(See accompanying notes to the financial statements)

Horned Cattle Fund

Statement 3

Statement of Changes in Financial Position

Year Ended March 31, 1988

(with comparative figures for the previous year)

	1988	1987
Cash provided by operating activities:		
Excess of revenue over expenditure	\$100,123	\$207,509
Net change in non-cash working capital balances related to operations*	(18,354)	(108,655)
Total cash provided by operating activities	81,769	98,854
Cash position at beginning of year	274,859	176,005
Cash position at end of year	<u>\$356,628</u>	<u>\$274,859</u>
Cash position comprises cash and marketable securities		
* Accrued interest receivable	\$ (37)	\$ 1,354
Advance	(30,000)	--
Inventory	3,262	(113,339)
Accounts Payable	8,421	3,330
	<u>\$(18,354)</u>	<u>(\$108,655)</u>

*(See accompanying notes to the financial statements)

Horned Cattle Fund

Notes to Financial Statements

Year Ended March 31, 1988

1. Accounting Policy

(a) The financial statements of the Horned Cattle Fund are prepared on an accrual basis of accounting with the following modifications:

Collections and grant payments under The Horned Cattle Purchases Act are recognized in the accounts on a cash basis. Accordingly, accounts receivable of \$37,215 (1987 - \$33,418) and commissions payable of \$558 (1987 - \$3,342) are not included in this statement.

(b) The Fund has not been charged with any occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

(c) Cattle inventory is valued at approximate realizable value at the fiscal year end (Note 3).

2. Legislative Authority

Pursuant to the provisions of The Horned Cattle Purchases Amendment Act, 1983, proclaimed into force October 1, 1983, the Horned Cattle Trust Fund was continued as the Horned Cattle Fund and the assets and liabilities of the Horned Cattle Trust Fund are deemed to be the assets and liabilities of the Fund.

The purpose of this Fund is to promote research and development in the livestock industry.

3. Inventory of Cattle

In view of the difficulty which exists in assigning on a rational basis the costs of production to animals at various stages of maturity and since the correlation between costs and revenue is not nearly as close as in most businesses, the inventory of cattle held is valued at approximate realizable value at the fiscal year end. The corresponding changes in inventory from one year to the next have been described as Appreciation (decline) in value of opening herd.

Revenue from Pathlow Beef Project

	1988	1987
Cattle sales	\$251,068	\$222,441
Appreciation (decline) in value of opening herd	(3,262)	113,339
Total revenue	<u>\$247,806</u>	<u>\$335,780</u>

4. Advance

The Fund has entered into an arrangement whereby an amount of \$30,000 was advanced to the SouthWest Forage Association to be used to acquire cattle for the purposes of a beef-forage research project being conducted by the Swift Current Research Station. The agreement terminates March 31, 1989, at which time the advance will be repaid. The agreement may be extended beyond the termination date if mutually agreed.

Horned Cattle Fund

Schedule of Grants

Year Ended March 31, 1988

Schedule 1

	1988	1987
Canadian Western Agribition Association	35,000	35,000
University of Saskatchewan (Department of Animal and Poultry Science)	30,000	31,500
Melfort Agricultural Society	17,560	17,560
Saskatchewan Holstein-Friesian Association	8,000	12,000
Saskatchewan Livestock Association	5,000	--
Saskatchewan Junior Hereford Association	3,500	--
Alpine - Agro Ltd.	1,641	--
Saskatchewan Young Canadian Simmentalers	1,000	1,489
Western College of Veterinary Medicine	--	5,000
Biosystems Consulting Ltd. (Black Fly Project)	--	1,000
Ag. Canada Melfort Research Station	--	(552)
	<u>\$101,701</u>	<u>\$102,997</u>

(See accompanying notes to the financial statements)